

Bemis Packaging UK Limited
Annual report
for the year ended 31 December 2003

Registered Number 949464



Bemis Packaging UK Limited
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for the year ended 31 December 2003
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Bemis Packaging UK Limited

Directors and advisors for the year ended 31 December 2003

Directors

M Dussart

Secretary

C Thompson

Auditors

PricewaterhouseCoopers LLP
Abacus House
Castle Park
Cambridge
CB3 0AN

Bankers

HSBC Bank plc
City of London
Corporate Office
27-32 Poultry
London
EC2P 2BX

Registered office

Lyon Court
Walsworth Road
Hitchin
Hertfordshire
SG4 9SX

Bemis Packaging UK Limited

Directors' report for the year ended 31 December 2003

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activities

The company's principal activity is the sale of food packaging products in the United Kingdom, which are supplied by the parent undertaking in Finland and a fellow subsidiary in Germany.

Review of business and future developments

The turnover for the year has increased by 13% to £16,665,753 (2002: £14,766,834) principally due to an improvement in the market. However, due to the higher cost of raw material purchases, the company made an operating loss for the year of £206,006 (2002: £145,514 loss).

The company plans to relocate operations to the site of a fellow subsidiary undertaking during 2004.

Dividends

The directors do not recommend the payment of a dividend (2002: £Nil).

Directors

The directors who held office in the year are set out on page 1.

Directors' interests

The directors have no interests in the shares of the company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

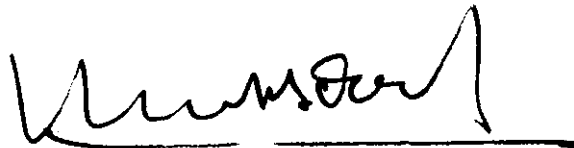
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'M Dussart', is written over a horizontal line.

M Dussart
Director

Bemis Packaging UK Limited

Independent auditors' report to the members of Bemis Packaging UK Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cambridge

1 October 2004

Bemis Packaging UK Limited

Profit and loss account for the year ended 31 December 2003

	Note	2003 £	2002 £
Turnover	2	16,665,753	14,766,834
Net operating expenses	3	(16,871,759)	(14,912,348)
Operating loss	4	(206,006)	(145,514)
Interest receivable		30,191	16,403
Interest payable and similar charges	7	(2,242)	(59,035)
Loss on ordinary activities before taxation		(178,057)	(188,146)
Tax on loss on ordinary activities	8	54,835	8,272
Loss on ordinary activities after taxation and loss for the financial year	15, 16	(123,222)	(179,874)
(Loss)/retained profit brought forward	15	(174,875)	4,999
Loss carried forward	15	(298,097)	(174,875)

All of the above results arise from continuing operations throughout the year.

The company has no recognised gains and losses other than those included in the loss above, and therefore no separate statement of total recognised gains and losses has been presented.

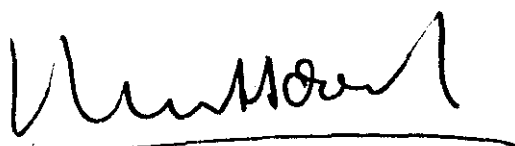


Bemis Packaging UK Limited

Balance sheet as at 31 December 2003

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	9	37,966	62,636
Current assets			
Stock	10	2,264,841	1,687,844
Debtors	11	3,614,207	3,283,756
Cash at bank and in hand		433,482	434,073
		6,312,530	5,405,673
Creditors: amounts falling due within one year	12	(4,746,083)	(3,740,674)
Net current assets		1,566,447	1,664,999
Net assets		1,604,413	1,727,635
Capital and reserves			
Called up share capital	14	1,902,510	1,902,510
Profit and loss account	15	(298,097)	(174,875)
Equity shareholders' funds	16	1,604,413	1,727,635

The financial statements on pages 4 to 13 were approved by the board of directors on 1 October 2004 and were signed on its behalf by:



M Dussart
Director

Bemis Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2003

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been reviewed by the Board of Directors in accordance with Financial Reporting Standard ('FRS') 18, "Accounting policies", and have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Computer equipment	20%
Motor vehicles	20%
Office equipment	20%

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete and defective stocks. In addition, the company reviews all stock lines where the value of stock exceeds the previous six months' turnover for that line and considers whether a provision is appropriate, based on the likelihood of future sales.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Deferred taxation

Provision is made for deferred taxation in accordance with FRS 19, "Deferred taxation", on all material timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies have been translated into sterling at the rates of exchange ruling at the balance sheet date. Other transactions have been translated at the rates of exchange ruling at the time of the transaction. The resulting gains and losses on the translation of foreign currencies have been dealt with in the profit and loss account in the year in which they arose.

Pension contributions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions under the company's defined contribution pension scheme are charged to the profit and loss account as incurred. The company provides no other post retirement benefits to its employees.

Bemis Packaging UK Limited

1 Principal accounting policies (continued)

Cash flow statement

As Bemis Packaging UK Limited is a wholly owned subsidiary, and the consolidated financial statements of the ultimate holding company, Bemis Company Inc., are publicly available, advantage has been taken of the exemption available under FRS 1 (revised), "Cash flow statements", from the presentation of a cash flow statement.

2 Turnover

Turnover comprises amounts receivable by the company, by way of commission in respect of continuing services provided and the invoiced value of goods supplied by the company, exclusive of VAT, within the United Kingdom.

3 Net operating expenses

	2003 £	2002 £
Increase in stock of finished goods	(576,997)	(46,269)
Other external charges - purchase of finished goods	16,459,717	13,949,733
Staff costs:		
- wages and salaries	456,052	441,461
- social security costs	42,139	29,329
- other pension costs	30,536	35,448
Depreciation of tangible fixed assets	23,668	29,671
Loss on disposal of tangible fixed assets	4,757	15,478
Other operating charges	431,887	457,497
	16,871,759	14,912,348

Bemis Packaging UK Limited

4 Operating loss

	2003 £	2002 £
Operating loss is stated after charging/(crediting):		
Operating lease rentals - land and buildings	28,500	28,500
- other	42,536	27,210
(Gain)/loss on foreign exchange	(4,612)	209
Auditors' remuneration - audit services	13,500	13,000
- non-audit services	3,500	9,500

5 Directors' emoluments

	2003 £	2002 £
Aggregate emoluments	-	47,559

6 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2003 Number	2002 Number
By activity:		
Selling and distribution	7	7
Administration	9	9
	16	16

7 Interest payable and similar charges

	2003 £	2002 £
Interest payable on bank overdraft	2,242	54,770
Group interest and similar charges payable	-	3,866
Interest payable on other loans	-	399
	2,242	59,035

Bemis Packaging UK Limited

8 Tax on loss on ordinary activities

	2003 £	2002 £
Current tax:		
United Kingdom corporation tax at 30% (2002: 30%)	-	-
(Over) provision in respect of prior years	(54,835)	(8,272)
Total current tax	(54,835)	(8,272)

The tax result for the year is different from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £	2002 £
Loss on ordinary activities before tax	(178,057)	(188,146)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	(53,417)	(56,444)
Effects of:		
Expenses not deductible for tax purposes	11,143	7,500
Difference between capital allowances and depreciation	(2,028)	(1,638)
Current year tax losses carried forward	44,302	50,582
Adjustments to tax in respect of previous years	(54,835)	(8,272)
Current tax credit for the period	(54,835)	(8,272)

Bemis Packaging UK Limited

9 Tangible fixed assets

	Computer equipment £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 January 2003	61,143	59,601	16,156	136,900
Additions	3,018	-	7,887	10,905
Disposals	-	(40,330)	-	(40,330)
At 31 December 2003	64,161	19,271	24,043	107,475
Depreciation				
At 1 January 2003	36,384	34,382	3,498	74,264
Charge for the year	12,321	6,566	4,781	23,668
Eliminated in respect of disposals	-	(28,423)	-	(28,423)
At 31 December 2003	48,705	12,525	8,279	69,509
Net book value				
At 31 December 2003	15,456	6,746	15,764	37,966
At 31 December 2002	24,759	25,219	12,658	62,636

10 Stock

	2003 £	2002 £
Finished goods purchased for resale	2,264,841	1,687,844

11 Debtors

	2003 £	2002 £
Amounts falling due within one year:		
Trade debtors	3,498,460	3,226,280
Corporation tax recoverable	84,830	26,495
Other debtors	679	680
Prepayments and accrued income	30,238	30,301
	3,614,207	3,283,756

Bemis Packaging UK Limited

12 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	174,110	175,309
Amounts due to ultimate parent undertaking	-	1,474,384
Amounts due to fellow subsidiary undertakings	3,836,626	1,454,873
Other taxation and social security	497,625	469,134
Accruals and deferred income	237,722	166,974
	4,746,083	3,740,674

13 Deferred taxation

At 31 December 2003, the company had potential deferred tax assets as follows:

	Amounts recognised 2003 £	Amounts not recognised 2003 £	Amounts recognised 2002 £	Amounts not recognised 2002 £
Excess of capital allowances over depreciation	-	7,782	-	7,861
Losses carried forward	-	44,302	-	50,582
	-	52,084	-	58,443

Deferred tax has been calculated at 30% (2002: 30%), the standard rate of corporation tax in the UK at which any potential asset is likely to crystallise. The deferred tax asset as at 31 December 2003 of £52,084 (2002: £58,443) has not been recognised due to the uncertainty of future profits against which it can be offset.

Bemis Packaging UK Limited

14 Called up share capital

	2003 £	2002 £
Authorised		
2,000,000 (2002: 2,000,000) ordinary shares of £1 each	2,000,000	2,000,000
Allotted, called up and fully paid		
1,902,510 (2002: 1,902,510) ordinary shares of £1 each	1,902,510	1,902,510

15 Profit and loss account

	£
At 1 January 2003	(174,875)
Loss for the financial year	(123,222)
At 31 December 2003	(298,097)

16 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Opening shareholders' funds	1,727,635	7,509
Net proceeds of issue of ordinary share capital	-	1,900,000
Loss for the financial year	(123,222)	(179,874)
Closing shareholders' funds	1,604,413	1,727,635

17 Pension obligations

The company operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the company to the fund. The pension charge for the year was £30,536 (2002: £35,448).

Included within accruals is £nil (2002: £9,892) which represents pension contributions outstanding at 31 December 2003.

Bemis Packaging UK Limited

18 Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003 £	2002 £	2003 £	2002 £
Leases expiring:				
Within one year	23,750	-	10,967	4,649
Within two to five years	-	28,500	25,587	24,721
	23,750	28,500	36,554	29,370

19 Related party transactions

As the company is a wholly owned subsidiary, and the consolidated financial statements are publicly available, the company has taken advantage of the exemption available under FRS 8, "Related Party Disclosures", not to disclose transactions with other members of the Bemis Company Inc. group.

20 Immediate and ultimate holding company

The ultimate controlling party, which is also the parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member, is Bemis Company Inc., incorporated in the United States of America. Copies of the accounts can be obtained from Bemis Company Inc. as follows:

Bemis Company Inc.
222 South Ninth Street
Minneapolis
Minnesota 55402
USA